STRONG GROWTH AND IMPROVED PROFITABILITY

This is a translation of the Swedish interim report. If there should be any discrepancies, the Swedish language version governs.

SECOND QUARTER, APRIL – JUNE 2018

- Net sales increased by 18.0% to MSEK 64.9 (55.0)
- Gross profit increased by 25.3% to MSEK 48.8 (38.9)
- EBIT was MSEK -1.2 (-7.4)
- Earnings after tax was MSEK -1.7 (-7.5)
- Earnings per share was, basic SEK -0.24 (-1.05), diluted SEK -0.23 (-1.03)

FIRST HALF YEAR, JANUARY – JUNE 2018

- Net sales increased by 15.5% to MSEK 122.5 (106.1)
- Gross profit increased by 18.5% to MSEK 91.5 (77.2)
- EBIT was MSEK -6.3 (-12.1)
- Earnings after tax was MSEK -7.3 (-13.0)
- Earnings per share was, basic SEK -1.03 (-1.82), diluted SEK -1.01 (-1.79)

IMPORTANT EVENTS

DURING THE PERIOD

- Completed the last adaptations to be fully compliant to GDPR, the EU's new personal data regulation.
- On May 31, the Annual General Meeting elected Dr. Annika Steiber, Ass. Professor in Management and Entrepreneurship at Menlo College, California, and Jan Carlzon, former CEO of SAS, as new board members for Nepa. Former board member Anne Roggeveen was not available for re-election.
- Nepa entered into a Marketing Mix Modelling partnership with Snapchat's parent company Snap Inc.

AFTER THE PERIOD ENDED

- San Diego based video-game developer Psyonix selected Nepa as its provider of ongoing Brand and Advertisement measurement.

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A WORD FROM OUR CEO

I am incredibly proud and encouraged by Nepa's momentum throughout the second quarter of 2018. In addition to strong growth (25% gross profit), we have taken several important steps towards the three objectives we communicated when we went public and raised capital just over two years ago.

1) Invest in our product to further increase our scalability
   Development of our Consumer Science Platform® has focused on improving our Customer Experience (CX) and Marketing Optimization (MO) products.
   - CX Tracker was launched in the first quarter, a new application that targets mid-sized companies and companies that are in the early stages of their journey to improve customer experience. In the second quarter, we have closed multiple CX Tracker deals and built a strong sales pipeline.
   - In the second quarter, Nepa and Snapchat's parent company Snap Inc entered into a Marketing Mix Modelling partnership, further strengthening our Marketing Optimization product suite. This is the third major strategic MMM partnership in the last year – providing our clients with robust capabilities to invest with confidence in the changing media landscape.

Our product development has had positive effects on Nepa's scalability and finances in the second quarter. We see that the relationship between our gross profit growth and pace of personnel investments improved for the fifth consecutive quarter. Gross profit grew by 25 percent while personnel cost grew by only 3 percent, showing a substantial improvement in the scalability of the Consumer Science Platform® over the last year.

2) Invest in our UK sales office to further drive growth
   We are very satisfied with the results achieved by the management and ownership structure that we installed in Nepa UK 18 months ago. While all markets contribute to our 25 percent gross profit growth, Nepa UK is our fastest growing market – growing gross profit 140 percent compared to the same quarter last year. The team in the UK has had tremendous success helping some of the world's largest and best-known FMCG brands navigate the evolving omnichannel shopper journeys with our *Path to Purchase* product. ESOMAR, a leading member association for data, research and insight companies, invited Lindsay Parry, Nepa UK's Managing Director, to speak at their annual Shopper Experience Seminar in Amsterdam in June on *"Growing your brand through connecting the dots"*.

3) Invest in establishing Nepa in the USA to further drive long-term growth
   One year after the appointment of Ken Peterson as Managing Director, we have formed a great US team, and posted strong growth with global and local clients. San Diego based video-game developer Psyonix recently selected Nepa as its provider of ongoing Brand and Advertisement measurement. Psyonix acts in a field where we see a strong potential for Nepa's products. In the second quarter, we completed the move of our global marketing function from Sweden to the US to further strengthen our ability to drive awareness and create demand for Nepa's subscription-based products. We have in the last quarter invested approximately SEK 3 million in the US market and see a continued strong growth in revenues and gross profit.

EBIT for the second quarter was MSEK -1.2, an increase by MSEK 6.2 MSEK compared to the same quarter 2017. Net margins increased on all markets.

Fredrik Östgren

CEO

Nepa

THE GROUP

THE BUSINESS

VISION

"We change the way decisions are made".

The digital transformation of our society is pushing companies to become more customer centric. The need to listen to and to understand customers has never been more important for business success. Through innovative solutions and software, Nepa facilitates customer oriented decision making in all parts of Nepa's clients' organizations.

BUSINESS CONCEPT

Nepa's business concept is to help companies become more customer oriented, by bringing the voice of the consumer into companies' business development and daily decision-making. Nepa combines consumer feedback data with actual behavior data in order to transform traditional insights into financially quantifiable actions.

BUSINESS MODEL

Nepa is a groundbreaking growth company within the research industry that offers innovative solutions and software for delivering actionable insights to clients.

Nepa has developed automated processes for continuous data gathering, data analysis and the distribution of actionable insights.

More than 65 percent of Nepa's revenues stem from subscription revenues defined as agreements that last at least 12 months. Other revenues stem from solving client specific business challenges, always with the ambition to create a long-term subscription business model and/or to develop highly scalable products that can be applied to other clients and in other industry verticals.

The proprietary platform Consumer Science Platform® is sold as a combination of:

1. A platform license for managing customer feedback with an interface that automatically enriches clients' current IT infrastructure with behavior data.
2. Standardized products – Consumer Science Platform® Applications Suite.
3. Solving client specific business challenges.

Nepa's sales strategy entails solving client specific business challenges by utilizing proprietary ready-made and scalable analytics modules, which results in cost effective customization.

DEVELOPMENT OF THE GROUP

REVENUES

Net sales increased in the second quarter by 18.0 percent to kSEK 64,917 (55,017) and gross profit increased by 25.3 percent to kSEK 48,785 (38,923).

For the first half year net sales increased by 15.5 percent to kSEK 122,479 (106,080) and gross profit increased by 18.5 percent to kSEK 91,503 (77,186).

EARNINGS

The group's EBIT in the second quarter was kSEK -1,226 (-7,428) and earnings after tax was kSEK -1,691 (-7,487).

For the first half year the group's EBIT was kSEK -6,292 (-12,068) and earnings after tax was kSEK -7,349 (-13,026).

GROUP INCOME STATEMENTS

kSEK	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net sales	64 917	55 017	122 479	106 080	213 148
Other external income	1 213	1 009	2 026	1 842	3 340
	66 130	**56 026**	**124 505**	**107 922**	**216 488**
Direct costs	-16 132	-16 094	-30 976	-28 893	-55 289
Other external costs	-7 669	-6 225	-14 121	-12 021	-24 114
Personnel costs	-40 934	-39 572	-81 351	-76 485	-151 404
Depreciations	-1 285	-794	-2 340	-1 442	-3 326
Other operating costs	-1 336	-769	-2 010	-1 147	-2 116
Earnings Before Interest and Tax	**-1 226**	**-7 428**	**-6 292**	**-12 068**	**-19 761**
Financial income	523	12	838	75	1 168
Financial costs	-132	-47	-338	-560	-1 926
Earnings Before Tax	**-834**	**-7 463**	**-5 792**	**-12 552**	**-20 519**
Tax	-856	-24	-1 557	-474	-15
Earnings After Tax	**-1 691**	**-7 487**	**-7 349**	**-13 026**	**-20 533**
Profit attributable to the parent company's shareholders	-1 691	-7 487	-7 349	-13 026	-20 533
Number of shares, end of period (pcs.)	7 148 351	7 148 351	7 148 351	7 148 351	7 148 351
Average number of shares during the period (pcs.)	7 148 351	7 148 351	7 148 351	7 148 351	7 148 351
Earnings per share, basic (SEK)	-0.24	-1.05	-1.03	-1.82	-2.87
Earnings per share, diluted (SEK)	-0.23	-1.03	-1.01	-1.79	-2.84

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GROUP BALANCE SHEETS

ASSETS (kSEK)	June 30, 2018	June 30, 2017	December 31, 2017
Intangible assets	23 337	15 678	21 006
Tangible assets	708	1 112	811
Financial assets	478	1 717	415
Sum non-current assets	**24 523**	**18 506**	**22 232**
Trade receivables	36 683	30 738	46 610
Tax receivables	1 134	582	1 129
Other current receivables	4 763	2 491	3 339
Prepayments and accrued income	9 355	9 155	5 281
Cash and cash equivalents	17 313	38 085	22 827
Sum current assets	**69 249**	**81 051**	**79 186**
TOTAL ASSETS	93 772	99 558	101 417
EQUITY (kSEK)			
Shareholders' equity	1 430	1 430	1 430
Development fund	21 170	12 399	18 093
Other capital contributions	79 815	77 750	78 964
Translation difference	-659	-210	-545
Retained earnings incl. net profit for the period	-58 313	-34 685	-47 886
Total equity	**43 443**	**56 683**	**50 055**
LIABILITIES (kSEK)			
Deferred Tax	550	654	550
Total long-term liabilities	**550**	**654**	**550**
Due to customers	8 569	5 040	13 804
Trade payables	12 692	14 289	10 325
Other current liabilities	6 103	4 758	9 539
Accrued expenses, deferred income	22 414	18 132	17 144
Total short-term liabilities	**49 778**	**42 220**	**50 812**
Total liabilities	**50 329**	**42 874**	**51 362**
TOTAL EQUITY AND LIABILITIES	93 772	99 558	101 417
Pledged (kSEK)			
Chattle	12 000	12 000	12 000
Bank guarantee	1 500	3 266	1 500
Total pledged	13 500	15 266	13 500

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GROUP CASH FLOW STATEMENTS

kSEK	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Operating activities			
Profit before tax	-5 792	-12 552	-20 519
Adjustment of items not included in the cash flow	3 077	1 823	3 511
Income tax paid	-1 563	-983	-1 385
Cash flow from operating activities before adjustments of working capital	**-4 277**	**-11 712**	**-18 392**
Cash flow from changes in working capital			
Increase (-) / Decrease (+) of current receivables	4 403	-1 278	-12 413
Increase (+) / Decrease (-) of current liabilities	-1 034	2 481	11 074
Cash flow from operating activities	**-908**	**-10 508**	**-19 731**
Investing activities			
Acquisitions/divestments, tangible assets	-80	-292	-288
Acquisitions/divestments, intangible assets	-4 487	-4 758	-11 676
Acquisitions/divestments, group companies	-	-714	-
Acquisitions/divestments, financial assets	-39	-157	-356
Cash flow from investing activities	**-4 606**	**-5 921**	**-12 320**
Financing activities			
Issuance of warrants	-	-	363
Cash flow from financing activities	**-**	**-**	**363**
Net cash flow for the period	-5 514	-16 430	-31 687
Cash and cash equivalents at the beginning of the period	22 827	54 514	54 514
Cash and cash equivalents at the end of the period	**17 313**	**38 085**	**22 827**

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GROUP KEY PERFORMANCE INDICATORS

	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net sales growth rate (%)	18.0	9.3	15.5	16.7	15.6
EBITDA (kSEK)	59	-6 634	-3 952	-10 625	-16 435
EBITDA margin (%)	0.1	Neg	Neg	Neg	Neg
EBIT margin (%)	Neg	Neg	Neg	Neg	Neg
Profit margin (%)	Neg	Neg	Neg	Neg	Neg
Total assets (kSEK)	93 772	99 558	93 772	99 558	101 417
Equity / Assets ratio (%)	46.3	56.9	46.3	56.9	49.4
No. of shares, end of period (pcs.)	7 148 351	7 148 351	7 148 351	7 148 351	7 148 351
No. of shares, average during period (pcs.)	7 148 351	7 148 351	7 148 351	7 148 351	7 148 351
Earnings per share, basic (SEK)	-0.24	-1.05	-1.03	-1.82	-2.87
Earnings per share, diluted (SEK)	-0.23	-1.03	-1.01	-1.79	-2.84
Equity per share (SEK)	6.08	7.93	6.08	7.93	7.00
Dividend per share (SEK)	n/a	n/a	n/a	n/a	0.00
No. of employees, average (pcs.)	249	232	249	227	238

Definitions

Net sales growth rate	*Percent of growth in net sales compared to a previous period.*
EBITDA	*Earnings before interest, taxes, depreciation and amortization.*
EBITDA margin	*EBITDA as a percentage of net sales.*
EBIT margin	*EBIT as a percentage of net sales.*
Profit margin	*Earnings before tax as a percent of net sales.*
Equity / Assets ratio	*Equity as a percentage of total assets.*
Earnings per share	*Profit attributable to the parent company's shareholders divided by average number of outstanding shares.*
Equity per share	*Equity divided by number of outstanding shares.*
Dividend per share	*Dividend for the period divided by the number of outstanding shares at the time of dividend.*
No. of employees, average	*Number of FTE's on average during the period.*

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PARENT COMPANY

INCOME STATEMENTS, PARENT COMPANY

kSEK	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Full year 2017
Net sales	-	2 565	73	4 965	8 879
Other external income	497	786	949	1 222	2 258
	497	**3 351**	**1 021**	**6 187**	**11 137**
Direct costs	-	391	-	-442	-684
Other external costs	-555	-466	-999	-1 188	-2 622
Personnel costs	-2 969	-5 242	-5 680	-7 816	-15 831
Depreciations	-	-4	-3	-8	-16
Other operating costs	-3	-	-3	-	-
Earnings Before Interest and Tax	**-3 031**	**-1 970**	**-5 664**	**-3 267**	**-8 015**
Results from shares in group companies	-	-	-	-	-162
Financial income	87	-	172	-	245
Financial costs	-0	-2	-0	-2	33
Earnings After Financial Items	**-2 944**	**-1 972**	**-5 493**	**-3 269**	**-7 900**
Reversal of tax allocation reserve	-	-	-	-	200
Earnings Before Tax	**-2 944**	**-1 972**	**-5 493**	**-3 269**	**-7 700**
Tax	-	-	-	-	-
Earnings After Tax	**-2 944**	**-1 972**	**-5 493**	**-3 269**	**-7 700**

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BALANCE SHEETS, PARENT COMPANY

ASSETS (kSEK)	June 30, 2018	June 30, 2017	December 31, 2017
Tangible assets	-	11	3
Financial assets	62 047	42 300	57 547
Sum non-current assets	**62 047**	**42 311**	**57 550**
Trade receivables	-	2 264	626
Receivables Group companies	4 358	9 172	4 568
Tax receivables	847	1 244	670
Other current receivables	60	27	50
Prepayments and accrued income	770	194	117
Cash and cash equivalents	1 826	24 804	11 056
Sum current assets	**7 861**	**37 704**	**17 087**
TOTAL ASSETS	69 908	80 015	74 637
EQUITY (kSEK)			
Shareholders' equity	1 430	1 430	1 430
Share premium reserve	79 815	77 750	78 964
Retained earnings	-8 477	-777	-777
Net profit for the period	-5 493	-3 269	-7 700
Total equity	**67 275**	**75 134**	**71 917**
Tax allocation reserve	-	200	-
Untaxed reserves	**-**	**200**	**-**
LIABILITIES (kSEK)			
Trade payables	297	80	192
Borrowings from Group companies	-	452	80
Other current liabilities	268	288	450
Accrued expenses, deferred income	2 068	3 861	1 999
Total liabilities	**2 633**	**4 681**	**2 721**
TOTAL EQUITY AND LIABILITIES	69 908	80 015	74 637

NOTE: Changes in equity in summary

THE GROUP, kSEK	Share-holders' equity	Other capital contribu-tions	Develop-ment fund	Transla-tion difference	Retained earnings incl. net profit of the period	Non-controlling interests	Total equity
THE GROUP 2017							
Opening balance of equity January 1, 2017	1 430	77 750	8 253	140	-16 799	-714	70 060
Change in share in subsidiary	-	-	-	-	-714	714	-
Net profit of the period	-	-	-	-	-13 026	-	-13 026
Translation difference	-	-	-	-350	-	-	-350
Development fund	-	-	4 146	-	-4 146	-	-
Closing balance of equity June 30, 2017	**1 430**	**77 750**	**12 399**	**-210**	**-34 685**	**-**	**56 684**
THE GROUP 2018							
Opening balance of equity January 1, 2018	1 430	78 964	18 093	-545	-47 886	-	50 055
Net profit of the period	-	-	-	-	-7 349	-	-7 349
Translation difference	-	-	-	-114	-	-	-114
Development fund	-	-	3 078	-	-3 078	-	-
Issuance of warrants	-	851	-	-	-	-	851
Closing balance of equity June 30, 2018	**1 430**	**79 815**	**21 170**	**-659**	**-58 313**	**-**	**43 443**

PARENT COMPANY, kSEK	Shareholders' equity	Share premium reserve	Retained earnings incl. net profit of the period	Total equity
PARENT COMPANY 2017				
Opening balance of equity January 1, 2017	1 430	77 750	-777	78 403
Net profit of the period	-	-	-3 269	-3 269
Closing balance of equity June 30, 2017	**1 430**	**77 750**	**-4 046**	**75 134**
PARENT COMPANY 2018				
Opening balance of equity January 1, 2018	1 430	78 964	-8 477	71 917
Net profit of the period	-	-	-5 493	-5 493
Issuance of warrants	-	851		851
Closing balance of equity June 30, 2018	**1 430**	**79 815**	**-13 970**	**67 275**

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THE SHARE

The share capital of Nepa AB (publ), on June 30, 2018 was SEK 1,429,670.20 divided into 7,148,351 shares, each with a nominal value of SEK 0.20.

Nepa AB (publ) is listed on the Nasdaq First North stock exchange since April 26th, 2016 under the ticker NEPA.

A trading unit consists of onehundredandten (110) shares. All shares are of the same series and have the same voting rights and dividends rights.

Ten largest shareholders as of June 30, 2018	Number of shares	Share/Votes
Ulrich Boyer	1,492,624	20.9%
Swedbank Robur Fonder	818,352	11.4%
Fredrik Östgren	696,178	9.7%
Handelsbankens Fonder AB	661,077	9.2%
Didner & Gerge Small and Microcap	450,000	6.3%
AMF Aktiefond Småbolag	428,736	6.0%
P-O Westerlund	416,169	5.8%
Hans Skruvfors	225,000	3.1%
Öhman Global Growth	219,780	3.1%
Niclas Öhman	177,481	2.5%
Ten largest shareholders	5,585,397	78.1%
Other shareholders	1,562,954	21.9%
Total number of shares	7,148,351	100.0%

ACCOUNTING PRINCIPLES

The Group accounts have been established according to Swedish GAAP (Årsredovisningslagen and Bokföringsnämndens allmänna råd 2012:1 Årsredovisning och koncernredovisning (K3)). The Group consists of the parent company Nepa AB (publ) and nine subsidiaries, seven of which non-Swedish. Accounting principles and valuation principles correspond to the ones used in the latest annual report.

RISKS AND UNCERTAINCIES

Nepa faces several business risks and market risks, including the dependency of qualified personnel, the ability to handle growth and technological development.

AUDITING

This interim report has not been audited by the company's auditors.

CERTIFIED ADVISER

Erik Penser Bank is Nepa's Certified Adviser.

Nepa

FINANCIAL CALENDAR

Interim report 1 July – 30 September 2018	November 23, 2018
Year-end report 2018	March 22, 2019

CERTIFICATION

The Board of Directors and the CEO certify that this interim report provides a correct depiction of the Group's and parent company's businesses, standings and results, and that it describes the relevant risk factors and uncertainties the company is facing.

Stockholm, 24 August 2018
The Board of Directors of Nepa AB (publ)

Ulrich Boyer Chairman of the Board	*Bo Mattsson* Board member	*Annika Steiber* Board member	*Simon Hay* Board member
Jan Carlzon Board member	*P-O Westerlund* Board member	*Niclas Öhman* Board member	*Fredrik Östgren* Board member, CEO

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Nepa